

## Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 SS-15 SP-02 INR-07 NSC-05 CIAE-00 EB-07  
/047 W

----- 127370 /70 S

R 141530Z DEC 76  
FM AMEMBASSY GEORGETOWN  
TO SECSTATE WASHDC 3873  
AMEMBASSY CARACAS  
INFO AMEMBASSY BRIDGETOWN  
AMEMBASSY KINGSTON  
AMEMBASSY PORT OF SPAIN

C O N F I D E N T I A L GEORGETOWN 2532

E.O. 11652: GDS  
TAGS: SOPN, GY, VE  
SUBJECT: GOV ASSISTANCE TO GUYANA

REF: (A) GEORGETOWN 2302 (EXDIS), (B) CARACAS 13741 (EXDIS)

SUMMARY: VENEZUELAN AMBASSADOR MARQUEZ ISSUED PRESS  
RELEASE TO REUTERS/CANA DECEMBER 9 OUTLINGING GOV  
SPONSORSHIP OF GUYANA TO PARTICIPATE IN OPEC SOLIDARITY  
FUND. MARQUEZ ALSO STATED GOV PREPARED TO ASSIST GOG IN  
JOINT DEVELOPMENT CUYUNI-MAZARUNI BASIN AND OFFERED TO  
AID GUYANA IN PLANNED THREE BILLION DOLLAR (GUYANA)  
HYDRO-ELECTRIC PROJECT. RELEASE APPEARS TO BE FROWNED  
UPON BY GOG AND NOT PUBLICIZED LOCALLY. END SUMMARY

1. VENEZUELAN AMBASSADOR MARQUEZ ISSUED PRESS RELEASE  
PRESUMABLY ON INSTRUCTION OF GOV DECEMBER 9 TO REUTERS/  
CANA CONCERNING GOV OFFER OF DEVELOPMENT ASSISTANCE.  
RELEASE QUOTED MARQUEZ AS STATING THAT GUYANA  
INCLUSION IN BILLION DOLLAR (U.S.) SOLIDARITY FUND  
BEING ESTABLISHED BY OPEC IS A MEASURE OF  
GOV-GOG HARMONIOUS RELATIONS. GOV AS ANNOUNCED  
EARLIER THIS WEEK WAS PUTTING 200 MILLION DOLLARS  
INTO FUND TO HELP ECONOMIES OF GUYANA, HAITI,  
HONDURAS, EL SALVADOR, ETHIOPIA, GUATEMALA,  
KENYA, MOZAMBIQUE AND TANZANIA.

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2. RELEASE REPORTED THAT MARQUEZ PLAYED MAJOR

ROLE IN DISCUSSIONS BEGINNING LAST OCTOBER THAT RESULTED IN GUYANA BEING INCLUDED IN LIST OF BENEFICIARY COUNTRIES. MARQUEZ INDICATED THAT GUYANA WOULD LIKELY RECEIVE AID IN CASH OR OIL. THE INTENTION OF THIS LOAN IS TO OFFSET THE EFFECT OF POSSIBLE PETROLEUM PRICE INCREASES BY OPEC. FURTHER, THAT GUYANA UNDER THIS AGREEMENT MAY BE SUPPLIED WITH OIL BY OPEC STATES AT PRICES PREVAILING BEFORE OCTOBER 1975.

3. PRESS RELEASE FURTHER QUOTES MARQUEZ AS SAYING GOV WILLING AND READY TO HELP GUYANA IN EVERY WAY. HE DISCLOSED THAT GOV HAS GIVEN GOG OPEN ENDED OFFER TO ASSIST IN PLANNED THREE BILLION DOLLAR (GUYANA) HYDRO-ELECTRIC PROJECT IN THE UPPER MAZARUNI RIVER REGION. MARQUEZ CONTINUED THAT VENEZUELA BELIEVES MUCH CAN BE ACHIEVED BY THE JOINT DEVELOPMENT OF THE HUGE CUYUNI-MAZARUNI BASIN THAT SAFEGUARDS INTERESTS OF BOTH COUNTRIES. SHOULD GOG DECIDE TO GO IT ALONE VENEZUELA WAS READY TO ASSIST IN THE EXTERNAL FINANCING ON NEGOTIATED TERMS. HOWEVER, MARQUEZ BELIEVED THIS PROJECT IS UNVIALE WITHOUT VENEZUELAN HELP. FROM STUDIES MADE, THE HYDRO-ELECTRIC POWER STATION WILL HAVE A PROJECTED CAPACITY OF 3,000 MEGAWATTS (AT PRESENT, GUYANA GENERATES 144 MEGAWATTS). THEREFORE, MARQUEZ REASONED EVEN WITHOUT JOINT DEVELOPMENT VENEZUELA IS IMPORTANT AS A BUYER SINCE ONLY IT WOULD HAVE THE CAPACITY TO ABSORB THAT POWER IN THE DEVELOPMENT OF ITS EASTERN REGION.

4. RELEASE THEN WENT INTO GUYANA-VENEZUELAN TERRITORIAL DISPUTE. MARQUEZ PLACED THIS OFFER OF JOINT DEVELOPMENT AND BILATERAL AID WITHIN THE CONTEXT OF THE GENEVA AGREEMENT OF 1965 WHICH HAD SET THE MIXED COMMISSION THE TASK OF SEEKING SATISFACTORY SOLUTION FOR THE PRACTICAL SETTLEMENT OF THE BORDER CONTROVERSY. MARQUEZ SAID THAT ECONOMIC COOPERATION COULD BE SUCH A CONFIDENTIAL

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PRACTICAL SETTLEMENT. HE FELT THE VENEZUELAN PROPOSALS COULD BE AMONG MATTERS TO BE DISCUSSED DURING AN EXPECTED VISIT TO CARACAS BY FOREIGN MINISTER WILLS IN THE NEW YEAR.

5. GOG DECLINED TO COMMENT ON THE AMBASSADOR'S REMARKS.

6. COMMENT: PRESS RELEASE HAS NOT BEEN PUBLISHED IN GUYANA. CHARGE HEARD THIS RELEASE BROADCAST ON RADIO ANTILLES (MONSERRAT) LATE DECEMBER 10. WE HAVE HEARD THAT BURNHAM IS UNHAPPY WITH PRESS RELEASE BECAUSE AS REPORTED IN REF A SUCH HUGE INVOLVEMENT AND INVESTMENT BY GOV IN DISPUTED AREA WOULD MAKE IT APPEAR THAT VENEZUELA WOULD BE ABLE TO EXERCISE DE FACTO CONTROL OVER THIS REGION. THIS WOULD MAKE GOG VULNERABLE TO CHARGES OF SELLOUT BY OPPOSITION PEOPLES PROGRESSIVE PARTY (PPP) WHICH BELIEVES THAT ANY SUCH COOPERATION WOULD RESULT IN VENEZUELAN TAKEOVER OF TERRITORY. EMBASSY ALSO HEARD THAT FOREIGN MINISTER WILLS PROTESTED TO MARQUEZ DECEMBER 11 OVER NEWS RELEASE SINCE GOG HAD NOT AGREED TO PUBLICIZE AID OFFER. VENEZUELAN SECOND SECRETARY ALSO INFORMED CHARGE DECEMBER 10 THAT GOV WILLING TO ASSIST GOG BUT THAT GUYANESE APPEAR NOT TO WANT THIS ASSISTANCE. EMBASSY DOES NOT KNOW PARAMETERS OF GOV AID OFFER BUT BASED UPON PRESS RELEASE IT DOES APPEAR SERIOUS EFFORT ON PART OF GOV TO ASSIST GUYANA. FRANKLY THIS APPEARS TO BE A STRANGE SITUATION WHERE GOG WHICH IS IN DESPERATE FINANCIAL SITUATION IS RELUCTANT TO ACCEPT OFFER BY GOV TO BAIL THEM OUT. BURNHAM MAY HAVE BEEN ALLUDING TO THIS SITUATION WHEN HE MENTIONED TO THE CANADIAN HIGH COMMISSIONER RECENTLY ABOUT THE PROBLEMS INHERENT WHEN ACCEPTING AID AS REPORTED IN GEORGETOWN 2521.

7. COPIES OF PRESS RELEASE BEING POUCHED TO EMBASSY CARACAS AND DEPARTMENT.  
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## Message Attributes

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